

2024 Supplemental Budget Request – Operating

Operating		2024 Supplemental Budget Request 9/13/2023				
		FTE	GF-State	MTCA ¹	Other	Total
9/13/2023 \$ in thousands - Biennialized FTEs						
2023-25 Enacted Base Budget		2,136.5	76,637	360,378	425,556	862,571
Maintenance Level Changes						
1	Compensation Changes for New 2023-25 FTEs		267	841	1,365	2,473
2	Property Insurance Cost Increases		112	442	268	822
3	Fire Protection and Emergency Service		12	52	34	98
4	Lease Adjustments				14	14
Policy Level Changes						
Reduce and Prepare for Climate Impacts						
5	Climate Pollution Reduction	10.4	409	42	3,112	3,563
Prevent and Reduce Toxic Threats and Pollution						
6	Cannabis Laboratory Accreditation	2.3			782	782
7	Certifying Financial Responsibility	1.8			588	588
8	Hanford Dangerous Waste Permit	1.2			380	380
Protect and Manage Our State's Waters						
9	Protecting State Waters	7.6		2,408		2,408
10	NEP Stormwater Strategic Initiative ²				10,000	10,000
11	Modernize Surface Water Mapping	1.8			3,307	3,307
12	Nutrient Credit Trading	0.6	410			410
13	Fix and Modernize WQ Permit Systems	1.8			591	591
Other						
14	Federal Authority For BIL/IRA Grants ²	12.6			27,128	27,128
15	WCC Service Equity & EJ Initiative			896		896
Total Changes		39.9	1,210	4,681	47,569	53,460
Total Operating Budget		2,176.3	77,847	365,059	473,125	916,031

Notes:

¹ Model Toxics Control Operating Account (23P-1, 23P-7). Model Toxics Control Stormwater Account (23R-1)

² General Fund-Federal appropriation to support increased federal funding applied for and/or received by Ecology, including through the Bipartisan Infrastructure Law (BIL) and Inflation Reduction Act (IRA).

Protecting the Environment | Ensuring Public Health | Supporting Economic Growth & Jobs

As the state's lead environmental agency, Ecology's mission is to protect and preserve the environment for current and future generations, while valuing and supporting Washington's economic success. We're tackling challenges that are unique to our times and require us to take a broad and holistic approach to our work that focuses on not only *what* we do, but also *how* we do it.

Ecology's strategic goals are to:

- Support and engage our communities, customers, and employees.
- Reduce and prepare for climate change impacts.
- Prevent and reduce toxic threats and pollution.
- Protect and manage our state's waters.

Our agency's deep commitment to environmental justice is tied to each of our strategic goals and guides the way we work to accomplish those goals.

Ecology's \$53.5 million 2024 supplemental operating budget request reflects an economy that is largely recovered from the impacts of the COVID-19 pandemic and leverages new federal funding available to the state, while continuing to protect environmental and public health through a focus on equity and environmental justice. This operating budget request is needed to:

- Respond to a Supreme Court of the United States decision affecting the protection of state wetlands and other waters.
- Continue effectively implementing enacted climate policy legislation aimed at reducing carbon pollution - including the Climate Commitment Act and Clean Fuel Standard - to achieve state greenhouse gas emission limits and reduce air pollution in overburdened communities.
- Pass through and use federal funding available from the Bipartisan Infrastructure Law (BIL) and Inflation Reduction Act (IRA) to support environmental and public health work and projects across the state.
- Continue to support priorities and actions from the Governor's 2021 salmon strategy update and State/Tribal Riparian Protection & Restoration Workgroup needed to better monitor the health of our riparian buffers and protect salmon.
- Improve Puget Sound water quality by building on recommendations for how the state might establish a nutrient credit trading program, and leveraging new federal funding available to support critical research, monitoring, modeling, and projects to address stormwater pollution.
- Support our communities through expanded access to Washington Conservation Corps services to help meet the state's environmental justice goals, ensure companies have sufficient financial resources to cover the costs of oil spills to Washington waters, and accreditation of cannabis testing laboratories.
- Meet permit obligations related to Hanford cleanup and fund key information technology enhancements needed to improve collection and reporting of data on water quality permits.

These requests are supported primarily by federal grants, dedicated environmental funds, and direct charges to customers for services provided.

The following summarizes each request for Ecology. The numbers for each item correspond with the numbers in the spreadsheet at the beginning of this section.

Maintenance Level

- 1. Compensation Changes for New 2023-25 FTEs. \$2,473,000.** State agencies received funding in the 2023-25 operating budget for the collective bargaining agreement general wage increases and targeted job class increases. Funding was based on the available Compensation Impact Model projections from staffing data provided by agencies in May 2022. For Ecology, this data did not reflect the significant changes to staffing levels in the 2023-25 operating budget. Ecology is requesting a maintenance level adjustment to fully fund the general wage increases and targeted job class increases for the new policy level FTEs included in the 2023-25 operating budget. (Multiple Funds)
- 2. Property Insurance Cost Increases. \$822,000.** As required by state law, Ecology maintains property insurance through the Department of Enterprise Services' Alliant Property Insurance Program for all its state-owned buildings, as well as the contents located within both its owned and leased buildings. These insurance costs are adjusted annually and are greatly impacted by the stability of commercial property markets. Due to the reduced demand for commercial property because of the COVID-19 pandemic, these costs have significantly increased in recent years. Ecology is requesting a maintenance level increase in appropriation authority to cover these increased costs and ensure the state's assets are protected. (Multiple Funds)
- 3. Fire Protection and Emergency Service. \$98,000.** Ecology's headquarters building is served by Lacey Fire District #3, which is authorized under state law to charge government agencies within their geographical boundaries for fire protection, prevention, rescue, and emergency medical services. Since 2014, Ecology has had an interlocal agreement with the fire district to provide fire protection and emergency services. Under this agreement, costs are adjusted annually, based on the Thurston County Assessor's Office assessed value for Ecology's Lacey property. Ecology is requesting a maintenance level increase in appropriation authority to cover the increased costs of this agreement and ensure our staff and customers can continue to receive emergency medical and fire protection services when needed. (Multiple Funds)
- 4. Lease Adjustments. \$14,000.** This request supports a maintenance level lease increase for the Ecology's Richland Field Office in Benton County. This lease increase was negotiated by Department of Enterprise Services Real Estate Services on behalf of Ecology. The work done at this facility benefits the U.S. Department of Energy, the public, other state agencies, Tribes, and local partners. The work helps protect, preserve, and enhance Washington's environment for current and future generations. (Radioactive Mixed Waste Account, General Fund-Federal)

Policy Level

Reduce and Prepare for Climate Impacts

- 5. Climate Pollution Reduction. \$3,563,000, 10.4 FTEs.** As the climate changes and temperatures climb, Washington faces serious impacts to its snowpack, infrastructure, and water supplies. Since 2019, the Legislature has tasked Ecology with implementing a number of laws designed to 1) help transition the state’s economy from being based primarily on fossil fuels to having net zero emissions; 2) help to slow the causes of climate change; and 3) support communities already impacted by the effects of climate change. Together, these initiatives are putting Washington on a path toward achieving net-zero emissions statewide by 2050. However, through implementation to this point, it has become clear that additional resources are needed to ensure long-term success. This request supports additional staff and contract resources needed to ensure continued success and meet current workload demands. Related to Puget Sound Action Agenda Implementation. (Multiple Funds)

Prevent and Reduce Toxic Threats and Pollution

- 6. Cannabis Laboratory Accreditation. \$782,000, 2.3 FTEs.** RCW 69.50.348 requires Ecology to begin accrediting the state’s cannabis testing laboratories on July 1, 2024. However, Ecology’s base funding from the Dedicated Cannabis Account was removed through a maintenance level reduction in the 2023-25 operating budget. This request provides funding needed for Ecology to establish and maintain an accreditation program to determine whether laboratories can produce accurate and defensible analytical data. (Dedicated Cannabis Account)
- 7. Certifying Financial Responsibility. \$588,000, 1.8 FTEs.** Chapter 88.40 RCW requires certain vessels and facilities transporting, storing, handling, or transferring oil and hazardous substances in Washington to demonstrate financial responsibility for the costs of a spill. Ecology received funding in the 2022 supplemental operating budget to respond to a 2021-23 proviso and adopt rules to implement the provisions under RCW 88.40.025 for oil handling facilities. That rulemaking is scheduled to be completed in spring 2024, and Ecology is now requesting funding to establish a Certificate of Financial Responsibility program to ensure compliance with the adopted rules and Chapter 88.40 RCW for both vessels and facilities. Related to Puget Sound Action Agenda Implementation. (Oil Spill Prevention Account)
- 8. Hanford Dangerous Waste Permit. \$380,000, 1.2 FTEs.** Ecology assumed responsibility for managing the Hanford dangerous waste permit from the U.S. Department of Energy in 2015. Since then, permit management and configuration control has continued to be extremely resource intensive due to the size and complexity of the permit. Despite added staffing capacity in 2017-19 and 2020, the remaining scope of work to both reissue and

manage the permit still exceeds current staffing capacity. The next version of this permit is scheduled for its public comment period in 2024, and additional staff are needed to ensure reissuance of the permit by September 2026, as required by our current Performance Partnership Agreement with the U.S. Environmental Protection Agency. This request will provide the additional staff needed to support reissuance and ongoing management of the permit along with new work coming to Ecology in 2024 related to the Perma-Fix Northwest dangerous waste permit and Hanford air operating permit. (Radioactive Mixed Waste Account, General Fund-Federal, Air Operating Permit Account)

Protect and Manage Our State's Waters

9. Protecting State Waters. \$2,408,000, 7.6 FTEs. On May 25, 2023, the Supreme Court of the United States issued a decision in *Sackett v. EPA* (Environmental Protection Agency). This decision significantly affects the scope of the Clean Water Act by redefining Waters of the United States and reduces the types of water bodies, including most wetlands, that are federally protected. However, the state's Water Pollution Control Act (Chapter 90.48. RCW) still provides protection for all Washington wetlands and waters. Prior to the change in the definition, the U.S. Army Corps of Engineers issued permits for projects that could impact these waters. But now that federal permits are no longer available for certain waters, the state will have to provide authorization, via administrative orders or an eventual permit, before such projects can proceed legally. This will result in a significant new workload for the state, and Ecology is requesting funding for additional staff to address the increase in state authorizations that will be needed. This request directly implements recommended priorities and actions in the 2021 Governor's salmon strategy update and is related to Puget Sound Action Agenda Implementation. (Model Toxics Control Operating Account)

10. NEP Stormwater Strategic Initiative. \$10,000,000. Since 2010, the U.S. Environmental Protection Agency has provided funding through the National Estuary Program (NEP) to support Puget Sound protection and recovery. These funds are currently provided through one of three initiatives designed to tackle multiple issues critical to Puget Sound recovery. Ecology serves as the state's lead for the Stormwater Strategic Initiative, which uses NEP funds to support critical research, monitoring, modeling, and innovative projects to address stormwater pollution and support recovery efforts. Since 2016, annual NEP awards supporting the initiative have continued to increase. Ecology is requesting the additional federal spending authority needed to leverage the increases in NEP funding available and continue to support a diverse set of projects that help protect and restore Puget Sound. This request directly implements recommended priorities and actions in the 2021 Governor's salmon strategy update and is related to Puget Sound Action Agenda Implementation. (General Fund-Federal)

11. Modernize Surface Water Mapping. \$3,307,000, 1.8 FTEs. Surface waters and their connected riparian zones are critical in supporting water quality and the health and

diversity of aquatic and terrestrial species throughout Washington. Understanding the location of the state’s surface water is needed for assessing, monitoring, and protecting these ecosystems, while improving climate resiliency at statewide, watershed, and local scales. In 2022, Ecology was funded to conduct a pilot project to identify the technologies, methodologies, datasets, and resources needed to refine and maintain the accuracy of the National Hydrography Dataset for Washington. Building on the success of that work, Ecology is now requesting funding to complete mapped surface water updates across the state and continue to improve the accuracy of the dataset on an ongoing basis, as new information and technologies become available. This request directly implements recommended priorities and actions in the 2021 Governor’s salmon strategy update and is related to Puget Sound Action Agenda Implementation. (Natural Climate Solutions Account)

12. Nutrient Credit Trading. \$410,000, 0.6 FTE. The health of Puget Sound is significantly degraded by excess nutrients that cause low dissolved oxygen, disrupt the food chain, and harm our orca and salmon populations. To help address this issue, Ecology issued the Puget Sound Nutrient General Permit in 2021 and, in 2022, the Legislature provided one-time funding to develop recommendations on how to establish a nutrient credit trading program that could lead to quicker and more efficient nutrient reductions. The report was completed in June 2023, and Ecology is now requesting funding to complete the near-term work identified in the report, which will better inform decision makers around a potential nutrient credit trading program. This request directly implements recommended priorities and actions in the 2021 Governor’s salmon strategy update and is related to Puget Sound Action Agenda Implementation. (General Fund-State)

13. Fix and Modernize WQ Permit Systems. \$591,000, 1.8 FTEs. Managing wastewater and stormwater is critical for protecting the health of surface and groundwater. Using a system of water quality permits, Ecology manages when, where, and how treated wastewater and stormwater enters the environment. In 2022, Ecology requested and received funding for a two-year project to make critical improvements to the usability and reporting accuracy of the state’s water quality permitting systems. While work completed to date has resolved a number of the issues that had been identified, those efforts also revealed that the work required to update and effectively maintain these systems requires an ongoing effort. Ecology is requesting funding for additional staffing resources needed to update and maintain these systems and ensure compliance with federal data reporting requirements on an ongoing basis. (Water Quality Permit Account)

Other

14. Federal Authority For BIL/IRA Grants. \$27,128,000, 12.6 FTEs. Passage of both the Bipartisan Infrastructure Law and Inflation Reduction Act has substantially increased the amount of federal funding being passed through to state, local, and Tribal governments across the country to address environmental and public health priorities. These include

water infrastructure improvements, legacy pollution cleanup, and tackling the climate crisis. As these funding opportunities have become available, Ecology, like other state agencies, Tribes, and local governments across Washington, has applied for and been awarded funds to support environmental and public health work and projects being done across the state. Ecology is requesting the additional federal spending authority needed to leverage nine new funding opportunities that have been awarded or applied for, as of August 1, 2023. This request directly implements recommended priorities and actions in the 2021 Governor’s salmon strategy update and is related to Puget Sound Action Agenda Implementation. (General Fund-Federal)

15. WCC Service Equity & EJ Initiative. \$896,000. The Washington Conservation Corps (WCC) collaborates with organizations to complete environmental stewardship projects statewide. WCC’s cost-share requires partners to fund 75 percent of crew costs, and WCC funds the remaining 25 percent with state appropriations and an AmeriCorps grant. While this cost-share is the best approach for funding the core program in a marketplace of similar programs, it presents barriers for organizations in under-resourced areas. The 2022 supplemental operating budget funded a two-year pilot to provide five crews with no partner-provided cost-share to further the state’s goals around service equity and environmental justice. To continue these efforts, Ecology requests ongoing funding to build on the success of the pilot and continue providing these crews at no partner-provided cost-share for projects in areas of the state where assistance is most needed. (Model Toxics Control Operating Account)

2024 Supplemental Budget Request – Capital

Capital 9/13/2023 \$ in thousands		2024 Supplemental Budget Request 9/13/2023			
		SBCA	MTCA ¹	Other	Total
Prevent and Reduce Toxic Threats and Pollution					
1	Cleanup Settlement Account Projects			2,200	2,200
Total Capital Budget					2,200

Notes:

¹ Model Toxics Control Capital (23N-1) and Stormwater (23R-1) Accounts.

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Ecology’s 2024 supplemental capital budget request totals \$2.2 million, and is supported entirely by dedicated funds in the Cleanup Settlement Account for four projects that:

- Promote local economic development through cleaning up contaminated sites for redevelopment.
- Improve water quality and habitat restoration.
- Address local environmental and public health priorities.
- Create jobs.

The following summarizes the request for Ecology. New Capital Projects

Prevent and Reduce Toxic Threats and Pollution

1. **Cleanup Settlement Account Projects. \$2,200,000.** This request will provide the appropriation authority needed to use accrued interest from previous settlements

deposited into the Cleanup Settlement Account so Ecology can continue to make progress on four toxic site cleanup and habitat restoration projects already in progress. Ecology will use the funding to conduct yard cleanups, habitat restoration, and continue site-specific remediation. This funding will protect environmental and public health by reducing toxic threats in the areas around these sites. This request directly implements recommended priorities and actions in the 2021 Governor’s salmon strategy update and is related to Puget Sound Action Agenda Implementation. (Cleanup Settlement Account)

To request an ADA accommodation, contact Ecology by phone at 360-407-6985 or email at valerie.pearson@ecy.wa.gov or visit <https://ecology.wa.gov/accessibility>. For Relay Service or TTY call 711 or 877-833-6341.